

# TRAFFIC TASK FORCE REPORT



4/1/2016

## Recommendations

This document summarizes the recommendations of the Mayor's Traffic Task Force, including capital and non-capital projects and a proposed funding methodology.

# Traffic Task Force Report

## RECOMMENDATIONS

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## BACKGROUND

### City Council Goal

In the spring of 2015, the Issaquah City Council reviewed all efforts then underway or planned to assist the City in dealing with traffic problems generated by ongoing local and regional population increases. These efforts included capital transportation projects, advocacy for resources at the state and regional levels, non-motorized programs, and the recently updated Concurrency policy that established new development fees. The City Council recognized that, in spite of these efforts, more needed to be done to improve mobility within Issaquah, and projects designed to provide these improvements required additional funding. Furthermore, given the growing popularity of the Puget Sound region, the longer the City waited to fund such projects, the further behind it would be in addressing Issaquah's greatest current challenge, traffic.

Therefore, during the spring and early summer of 2015, the City Council developed a transportation funding goal and authorized the appropriation of supportive funds. The goal's objectives were:

- Develop a plan in 2015 for raising funds for motorized and non-motorized transportation improvements identified in the concurrency update adopted in January 2015. Include other, non-capacity transportation improvements as needed.

Action steps associated with the goal included:

- Identify and analyze plausible funding strategies and potential projects,
- Conduct a survey to gauge preferences, tolerances and timing,
- Present survey findings, consultant's recommendations, funding strategy and project package options to the City Council, and
- Based on outcomes of the previously-cited step, determine subsequent steps and timeline.

### Transportation Survey

In July 2015, a phone survey (conducted by a survey firm retained by the City) asked residents to describe their level of support for various transportation-related projects and funding levels. After reviewing these survey results, the City Council decided to proceed with the next implementation step of its Council goal and to also alter the goal's schedule. The Council asked that the transportation funding plan be developed such that the Council could consider setting a ballot measure for November 2016. (See Appendix A for the survey report.)

### Traffic Task Force Established

In November 2015, the Mayor recruited volunteers to serve on an advisory Task Force to make recommendations to him and City Council by mid-2016. Over 35 people submitted applications. The Mayor chose eleven individuals representing a cross-section of geographic areas and sectors within the Issaquah community.

## Task Force Members

|              |                              |
|--------------|------------------------------|
| Steve Case   | Jim Noel - Chair             |
| Ronald Faul  | Jesse Nofziger               |
| Tim Flood    | Deena Rataezyk               |
| Rowan Hinds  | Barak Rosenbloom             |
| Peter Kahn   | Geoffrey Walker – Vice Chair |
| Gayle Morgan |                              |

## Traffic Task Force Scope

The Task Force members were presented with a mission to create a package of local improvement projects to complement and add to the City's comprehensive efforts (e.g., regional, transit) and select a funding method for the City Council's ultimate consideration.

## PROGRESSION OF THE TASK FORCE'S WORK

### Agendas

The Task Force met eight times over the course of five months. Their meetings<sup>i</sup> included hearing public comments, presentations from City staff and discussion amongst members. Task Force members frequently had homework assignments to visit project locations, read background materials, comment on proposals and prepare their thoughts for the upcoming meeting. Agenda topics at these meetings included:

- City staff Spring Board Proposal Projects
- Economic Development survey results
- Transportation survey results
- Citizen survey results
- Growth Management Act
- Local and Regional Growth
- Transportation Concurrency policy and Level of Service modeling
- Transportation Impact Fees
- Federal, State and County Road Improvements
- Walk-n-Roll Plan
- Transportation Improvement Plan (TIP) and Projects
- Regional transportation planning and collaboration
- Programmatic and capital approach to multi-modal mobility, Transportation Demand Management, transit, alternative services, etc.
- Transportation funding history and methods
- City debt service capacity and obligations
- Election patterns and history

- Project consideration criteria
- Additional projects on the TIP and projects suggested by task force members

## Subcommittees

The Task Force's work included forming two subcommittees, which analyzed and discussed two particular topics in greater detail and made recommendations to the full Task Force. Membership on these subcommittees was voluntary and self-selected. Each subcommittee met twice during February. The subcommittees were:

- Funding Methods
- Non-Capital Investments in Mobility

The Funding Methods Subcommittee, with support from Finance Director Diane Marcotte, considered available funding options, the City's debt service limits and obligations (current and possible future), debt issuance and how grant funding might affect the need for borrowing. The subcommittee discussed the pros and cons of each potential funding source, including who would pay, how much revenue could be generated, the timeframe for accruing sufficient funds, and the household or business impact of different taxes. (Finance Director memos to the subcommittee and task force can be found in Appendix B and C.)

The Non-Capital Investments in Mobility Subcommittee evaluated ways the City might advance the programs and services that support the City's multi-modal and non-motorized transportation goals. The subcommittee reviewed best practices and learned about the City's policies, plans and initiatives in this arena. The subcommittee discussed ways the City is partnering with private, non-profit, and other governmental agencies to deliver and enhance these services. They also discussed the Walk-n-Roll Action Strategy, the City's "Salmon-Friendly 'All' Trips" program and alternative services.

## Open Houses

The Task Force conducted two open houses, one in February at Blakely Hall in the Issaquah Highlands (approximately 55 people attended) and one in March at City Hall (approximately 80 people attended). The open houses featured brief explanatory remarks about the role of the Task Force, opportunities to pose questions to Task Force members, City staff and neighbors, and a chance to view a variety of displays featuring information that had been presented previously to the Task Force.<sup>ii</sup>

## RECOMMENDATIONS

### Funding Method

At its March 8 meeting, the Traffic Task Force unanimously adopted the Funding Methods Subcommittee's recommendation that the Mayor and City Council fund the package of projects by referring a property tax levy to voters. The size of the levy would be determined by the size of the transportation package the City Council selects. A levy will require approval by 60% of voters.

The Task Force preferred the levy over other options for a number of reasons, including:

- Provides revenue collection certainty,
- Allows the City to raise funds within the timeframe desired to complete the projects,

- Provides the opportunity to collect the funds needed to complete the greatest number or cost of projects, and
- Is paid by both residential and business property owners.

## Non-Capital Investments in Mobility

The Traffic Task Force is aware that certain funding methods, including the levy, allow for issuance of bonds for capital purposes only. Capital projects are likely to be only a part of the solution the City needs to utilize to mitigate traffic and improve mobility in Issaquah.

Therefore, the Task Force unanimously adopted the Non-Capital Investments in Mobility Subcommittee recommendation that:

- The City take a holistic approach for improving mobility in Issaquah by including programs and projects for motorized and non-motorized users.
- The City dedicate a stable source of annual funding for non-capital investments in mobility, ensuring the flexibility needed to meet changing dynamics/needs and allow the City to capitalize on other partnership opportunities.
- The City form an ongoing committee (with resident representation of all areas of the City) to enhance Issaquah's approach to mobility through user engagement and feedback.
- The Task Force supports the programs that have been identified as "Spring Board Programs" as summarized below and as found in Appendix D:

### Program Recommendation 1:

- The City dedicate annual funding resources to implement the elements of the Walk + Roll Action Strategy.

### Program Recommendation 2:

- The City dedicate annual funding resources to implement the elements of the Salmon Friendly Trips Program.

### Program Recommendation 3:

- The City conduct a community assessment and form partnerships for Alternative Service Programs.

### Program Recommendation 4:

- The City evaluate and augment Maintenance and Safety Practices and Programs to support safe travel.

The Task Force members did not identify a funding source for the non-capital investments it recommended. They understood that a variety of options are available to the City: grants, partnerships, the annual operating budget, etc. They anticipated that the citizen committee will help prioritize future programs and actions, and that the City Council and City staff will continue to identify funding opportunities.

Nevertheless, the Task Force would like to see an increase in the annual, baseline funding commitment that exists now.

## Capital Project Consideration Criteria

The Task Force selected the following criteria for considering potential projects to include in the project package. The criteria were not weighted, so they are not necessarily listed below in priority order. The criteria were used as guiding parameters, and selected projects did not need to meet every criterion.

The criteria were:

- Focus on places where Issaquah citizens are having difficulties
- Make sure local funding can do the job if grants or other funding are not available
- Emphasize projects with visible impact
- Pick projects that will enjoy strong community support
- Support non-motorized travel
- Be cognizant of our Concurrency obligation.

## Capital Projects Considered

The Task Force began its consideration of candidate projects by reviewing the City staff's "Spring Board Proposal." Staff developed this proposal to help the Task Force prioritize amongst the hundreds of possible projects contained in the City's various plans. The proposal included all of the projects that were tested in the phone survey, plus a project identified through the City's Crossings Study (completed in October 2015). The Task Force also requested that staff present other projects that were considered but not included in the Spring Board Proposal. Lastly, Task Force members suggested and discussed a handful of other projects in the City's transportation plans. In total, the Task Force considered 22 projects.

The Task Force emphasizes that many projects that did not make the final list are worthy and understands that the City will continue to pursue a multitude of projects in the short- and long-term.

## Recommended Capital Projects

### Overview

Recognizing that the City Council will determine what proportion of the City's debt capacity should be allocated to transportation, versus other current or future needs, the Traffic Task Force grouped its recommended projects into three differing sizes. The Task Force also understands that the City Council and City staff will continue to refine assumptions about the estimated costs of these projects, which will likely influence the cost and content of the package that might be put forward to voters. Some of these refinements may be based on:

- Whether other sources of funding (such as grants) might be available to offset the costs
- How the projects should be sequenced to smooth the curve of annual debt service payments for existing and new projects (however, the Task Force hopes that projects can be sequenced in the order they are presented).
- A third-party review of project cost assumptions

All project costs considered by the Task Force are based on preliminary estimates made by the City staff. Estimates will be refined as projects move from conceptual to design and, again, after projects are bid. The staff informed the Task Force that most of the projects have not yet been preliminarily engineered or designed.

### **The Package**

The Task Force recommends the following nine projects, in prioritized order. A project by project analysis will be provided via a presentation to the mayor and City Council.

1. Maple Street/Trader Joe's/Target Intersection Improvements

- Preliminary scope: Install a roundabout, improve overall intersection operations and safety for motorized and non-motorized users
- Preliminary estimated cost: \$5,000,000

2. Providence Point Intersection Signalization/Reconfiguration

- Preliminary scope: Realign roadway entrances and signalize to enhance safety
- Preliminary estimated cost: \$5,800,000

3. East Sunset Way: 6th Avenue to First Avenue

- Preliminary scope: Add a 17-foot wide multi-use path on south side, create three 11-foot wide travel lanes, establish a 5-foot wide landscaping area and 5-foot wide sidewalk on north side
- Preliminary estimated cost: \$10,560,000

4. Three Trails Crossing

- Preliminary scope: Construct improvements for motorized and non-motorized users to the intersection of Gilman Boulevard/Juniper/Rainier
- Preliminary estimated cost: \$1,430,000

5. Newport Way Southwest: Southeast 54th to SR-900

- Preliminary scope: Create a two-lane road with center median (with turn lanes where appropriate), roundabout intersection controls, 10-foot sidewalk on the north side, 6-foot sidewalk on the south side, landscaping and bicycle lanes on both sides
- Preliminary estimated cost: \$7,000,000

6. Front Street and Sunset Way Intersection Improvements

- Preliminary scope: Construct additional turn lane capacity associated with the signal at Front Street and Sunset Way (project requires removal of some parking along the roadway).
- Preliminary estimated cost: \$905,000

7. Newport Way NW: Maple Street to Sunset Way

- Preliminary scope: Add bike lanes, landscaping and sidewalks on both sides, roundabouts at the intersections of Northwest Juniper, Northwest Holly and Northwest Dogwood, construct improvements at the intersection of Newport Way/Maple Street
- Preliminary estimated cost: \$26,200,000



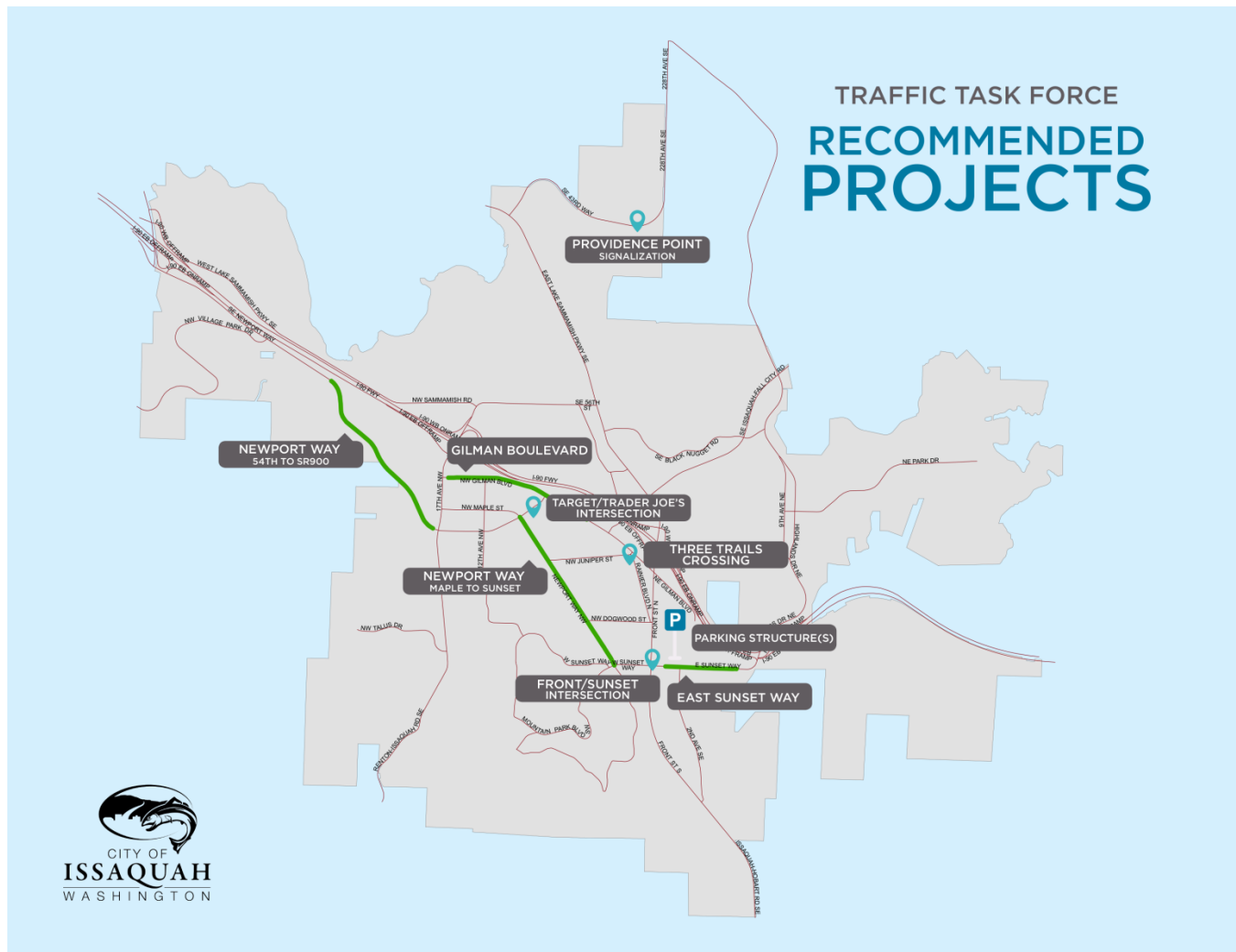
## 8. Gilman Boulevard Safety and Bike/Ped Improvements: SR -900 to ~Issaquah Creek

- Preliminary scope: Combine the Gilman Safety Improvement and Gilman Bike lanes and sidewalk projects. Extend and improve safety features through a number of different strategies that control access; reconstruct bike lanes and sidewalks between SR-900 and Maple (10<sup>th</sup>) Street.
- Preliminary estimated cost: \$5,736,000

## 9. Old Town Parking Structure(s)

- Preliminary scope: Construct parking structure(s) to provide approximately 400 stalls.
- Preliminary estimated cost: \$9,000,000

TOTAL ESTIMATED COST OF THESE 9-PROJECTS: \$71,631,000



## Options 2 and 3

As noted above, the Task Force identified two sub-sets among these projects, should the Council wish to put forward fewer projects or a less-expensive package.

Option 2: Postpone the Old Town Parking Structure(s) project. This is based on uncertainty about the location of the structure(s), the full project cost (the cost of purchasing land, for example, is not included in the project estimate, based on analysis from City officials noting that land costs could range from zero (if existing City-owned land could be made available) to a significant expenditure (if were necessary to purchase land on the open market), and the possibilities of partnering with others (e.g., private developers) on the construction, use and management of the structure(s). Removing this project reduces the total estimated cost of the Option 2 package to \$62,631,000.

Option 3: Postpone the Newport Way - Maple Street to Sunset Way and Gilman Boulevard Improvements projects, as well as the parking structure(s). This is based on the fact that these projects were not prioritized as highly as the other projects, and that the Newport project's higher cost makes it a logical break point on the list. Removing this project reduces the total estimated cost of the Option 3 package to \$30,695,000.

### **Other capital project recommendations**

Three other projects that were not ultimately included in the task force's recommendations merit additional note here.

#### *10<sup>th</sup>/12<sup>th</sup> Avenue I-90 Crossing*

Task Force members unanimously supported this project, but chose not to include it because of its cost and complexity. This project's preliminary scope includes constructing a new vehicle crossing of I-90 between Gilman Boulevard and Pickering Place between 10th and 12th Avenues. It would include bike lanes and sidewalks but would not be a direct connection to I-90. They encouraged the City to continue to work with other agencies to make this project a reality.

#### *Regional Projects*

While the Task Force's mission was to focus on local mobility projects where local funds and responsibility would govern outcomes, the Task Force also strongly supports the City's ongoing efforts to improve the regional transportation network. Members support continued advocacy for regional projects and funding, transit, and related programs. In particular, members emphasized the need to focus on improvements to State Routes 900 and 18, Interstate 90 and Issaquah-Hobart Road.

### **Other noteworthy projects**

#### *3<sup>rd</sup> Avenue Northwest/Northeast Creek Way*

No project generated more controversy than this one. Residents frequently corresponded with Task Force members and attended their meetings, City Council meetings and open houses, voicing their concerns about the potential negative impact of the project on their neighborhood. Those concerns included generation of cut-through traffic, speeding, more difficult access to their homes, noise, hastening change of the neighborhood's character and environmental impacts to the creek.

The Third Avenue Bridge project was the subject of robust debate and lengthy deliberations among Task Force members over the course of several meetings. Members described how they agonized over the pros and cons of this project and whether they would eventually support its inclusion in the package. Some Task Force members shared that they had received expressions of

support for the bridge from residents of other neighborhoods during the open houses and other exchanges. Task Force members also noted that the project received strong public support in the survey, the Task Force's responsibility was to recommend projects benefitting the City as a whole, relieving congestion on Front Street is as acute as any traffic-related issue now facing the City and a Third Avenue bridge would create an effective north-south alternative to Front Street. Ultimately, the Task Force voted 8 to 3 not to include the project in its recommendation. Factors cited by members who voted against the project ranged from a desire to maintain the existing neighborhood character to concern about the potential effects of opposition by members of the neighborhood on the success of the entire package in a public vote. There was also a debate about the merits of the project. Issues raised included the benefits to mitigate congestion and reduce intra-city travel times, as well as the timing of the project relative to other capital improvements. Nevertheless, the Task Force recognized that the north-south connection will remain an issue until the decision to build a new connection is made or steps are taken to preserve the Old Town neighborhood character.

#### *Northwest Sammamish Road "Pinch Point"*

The final vote of this project indicates just how close it was to being included in the final package: 5 for, 5 against and 1 abstention. (In Robert's Rules of Order both a tie and an abstention count as a "no" vote.) This project was discussed in depth at several meetings, during which the Task Force reviewed two possible scopes: addressing only the vicinity of the "Pinch Point" (a distance of roughly 2,000 feet; estimated cost of \$6,200,000) or addressing the entire length of roadway from the vicinity of Sunset Elementary to the entrance to Lake Sammamish State Park. There was stronger support for the larger project (estimated cost of \$10,000,000), which would include creating bike lanes on both sides and a sidewalk on the north side of the roadway.

While recognizing the benefits of this project, Task Force members also identified a number of concerns and uncertainties about it, including:

- The potential impact of state/federally-funded I-90 improvements on the design and construction of this City-funded project
- The project would not yield a higher Return on Investment on the City's Concurrency obligation (only the non-motorized improvements would apply)
- Private property impacts (e.g., potential eminent domain actions)
- Whether the benefits outweigh the cost of the project

To mitigate some of those concerns, the Task Force discussed whether commencement of the project could be made contingent on Federal Highway Administration, transit agencies and Washington State Department of Transportation's (WSDOT) actions.

Given the project's complexities, some Task Force members decided not to include the project in the package, but they urged the City to continue working on solutions. City staff had recommended waiting until WSDOT's design of I-90 is underway and coordinating with WSDOT to expand the City's capability to shift existing Northwest Sammamish Road facilities southward into the current I-90 limited access area, which would help the City secure space needed for the types of improvements that this project would involve.

## CONCLUSION

The Traffic Task Force's mission was to look at one piece of the transportation puzzle, in context with the other projects and efforts being taken by the City of Issaquah and other entities. These include:

- Regional issues: Improvements on Issaquah-Hobart Road, for example, are being explored by King County and the City.
- State issues. There are projects approved and under consideration for State Route 18 and SR-900, which the City is collaborating on.
- State and federal issues: These are projects such as the Front Street and Interstate 90 interchange and a possible new connection under or over I-90 in the vicinity of 10<sup>th</sup> to 12<sup>th</sup> Avenue. These are complex projects that require a great deal of intergovernmental cooperation.
- Transit: The City is working closely with Sound Transit and King County Metro on a range of projects, including their long range comprehensive and integrated plans, improved bus service, parking facilities, alternative services (such as neighborhood-based shuttles, ride sharing and a bike pool) and a possible extension of light rail to Issaquah.
- Concurrency (Motorized and non-motorized impact fees from new local construction): Developers pay fees for transportation improvements when they build new construction. Issaquah pools that money and invests it in projects in the city that will have an impact on the overall transportation system.

The task force was charged with looking at projects that are purely within Issaquah, that may have a reduced possibility of getting outside funds to build, and that will contribute in smaller but important ways to mobility around the city, as well as safety.

The task force looked at dozens of projects culled from an initial list of several hundred. The ones they chose meet important local needs. They strongly believe that these projects will help alleviate some of the local traffic and safety issues Issaquah faces today and will help the community handle the increases in traffic that will be coming.

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<sup>i</sup> All task force meeting agendas, notes and materials can be found on the City's website.

<sup>ii</sup> Notes taken at the open houses can also be found on the City's website in the Traffic Task Force folders for February 23 and March 22, 2016.





# 2015 Issaquah Transportation Measure Survey July 2015

# Methodology

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- ▶ Live telephone survey in City of Issaquah including landlines and cell phones
- ▶ Conducted July 7 – July 13, 2015
- ▶ 300 total interviews, Margin of Error  $\pm 5.5$  points
  - Weighted to reflect key demographics in the city of Issaquah
  - Interviews were conducted by trained, professional interviewers

*Please note that due to rounding, some percentages may not add up to exactly 100%.*

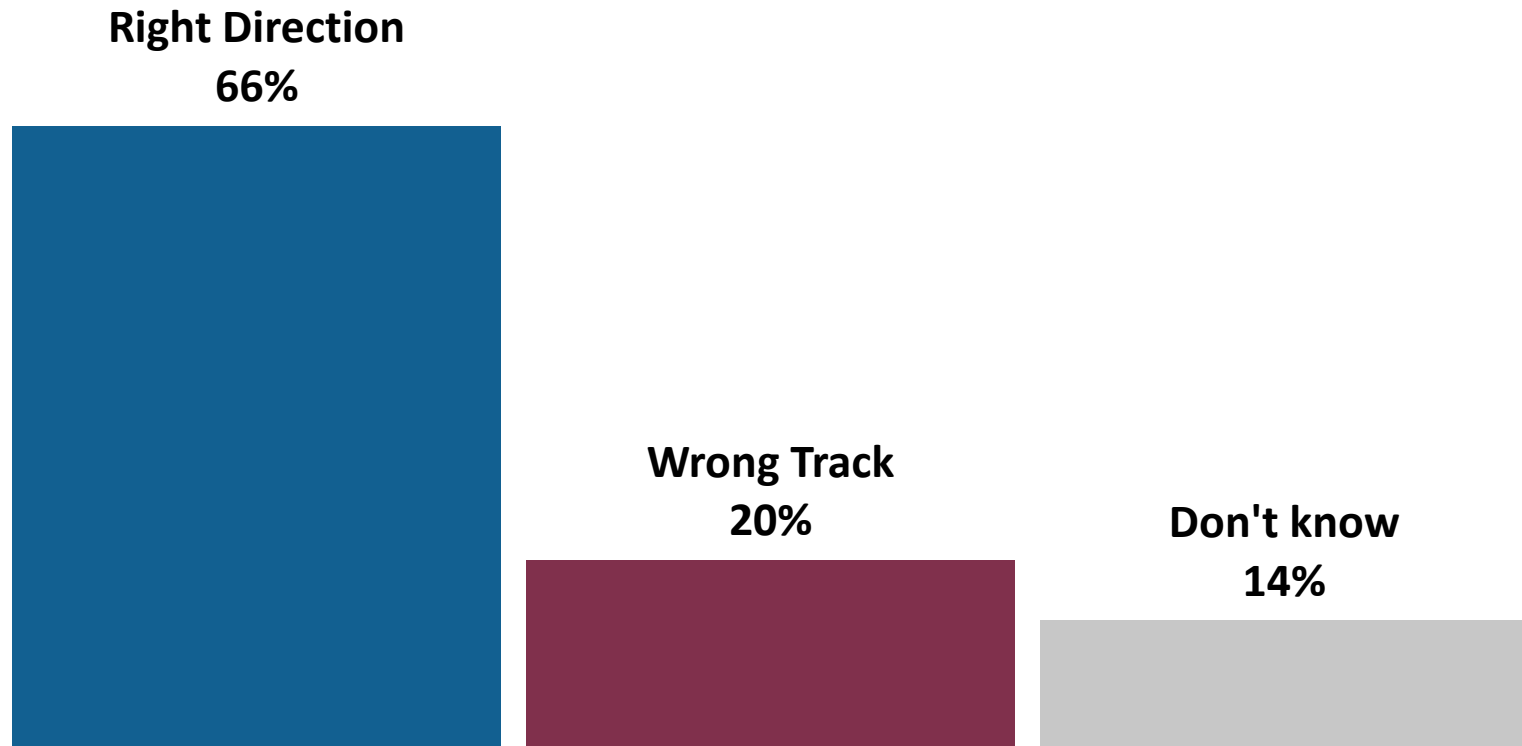
# Key Findings

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- ▶ Traffic congestion and growth are the leading problems facing Issaquah by a large margin. At the same time, a large majority say things are heading in the right direction in Issaquah, and virtually everyone thinks the quality of life in Issaquah is good.
- ▶ The concept of this proposal – particularly that it would enhance traffic flow and improve safety - is well received. Overall support for the proposal starts at more than two-thirds.
- ▶ Cost dampens support. After hearing the cost broken down for the individual homeowner, net support drops 22 points and is barely above a super majority.
- ▶ An alternative proposal with a lower price tag that excludes downtown parking and trail enhancements has roughly the same overall support as the initial proposal; but with a higher proportion strongly supporting the alternative.

# Direction of City of Issaquah

*Optimism in Issaquah is strong with two-thirds feeling things are generally going in the right direction.*

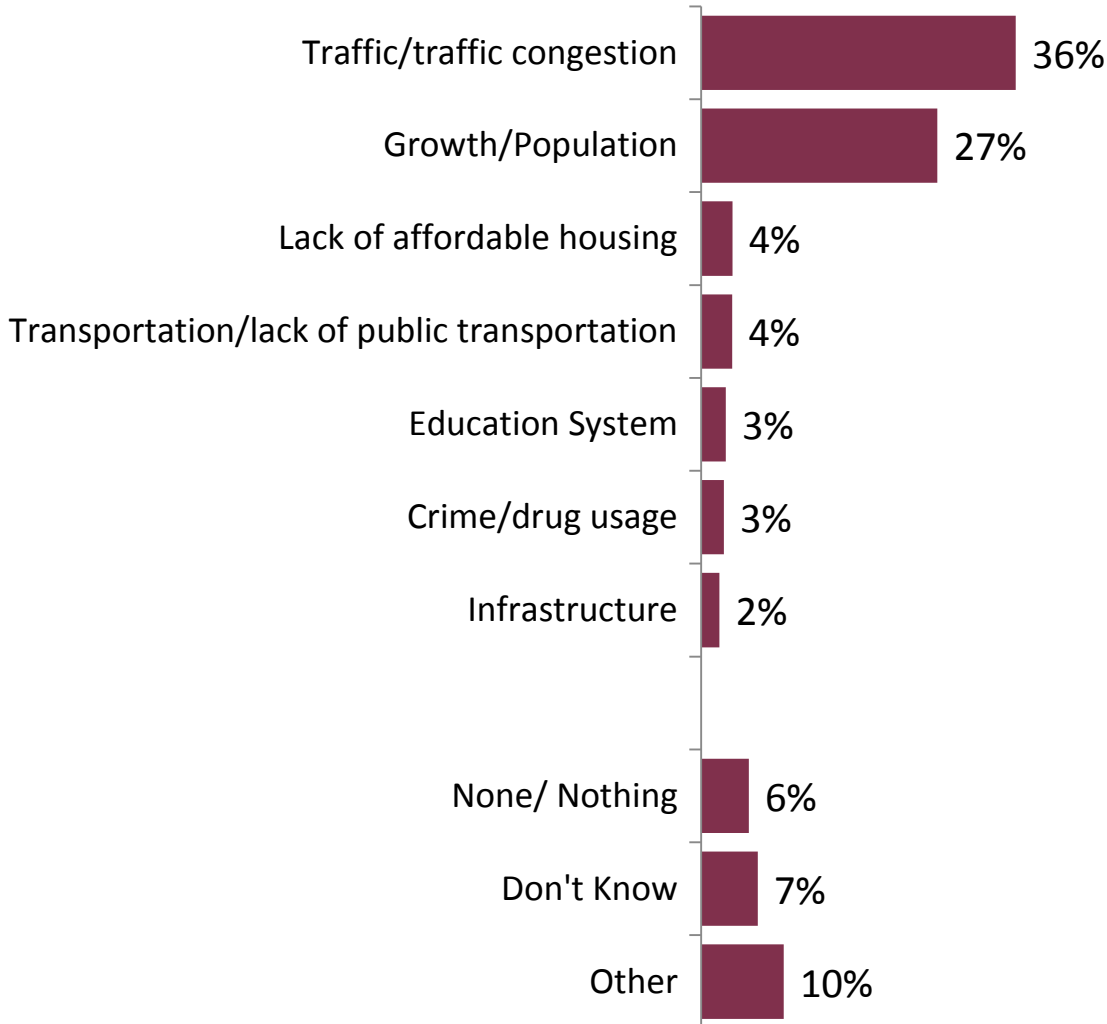


Q3. Do you think things in City of Issaquah are generally going in the right direction or do you feel that things are pretty seriously off on the wrong track?



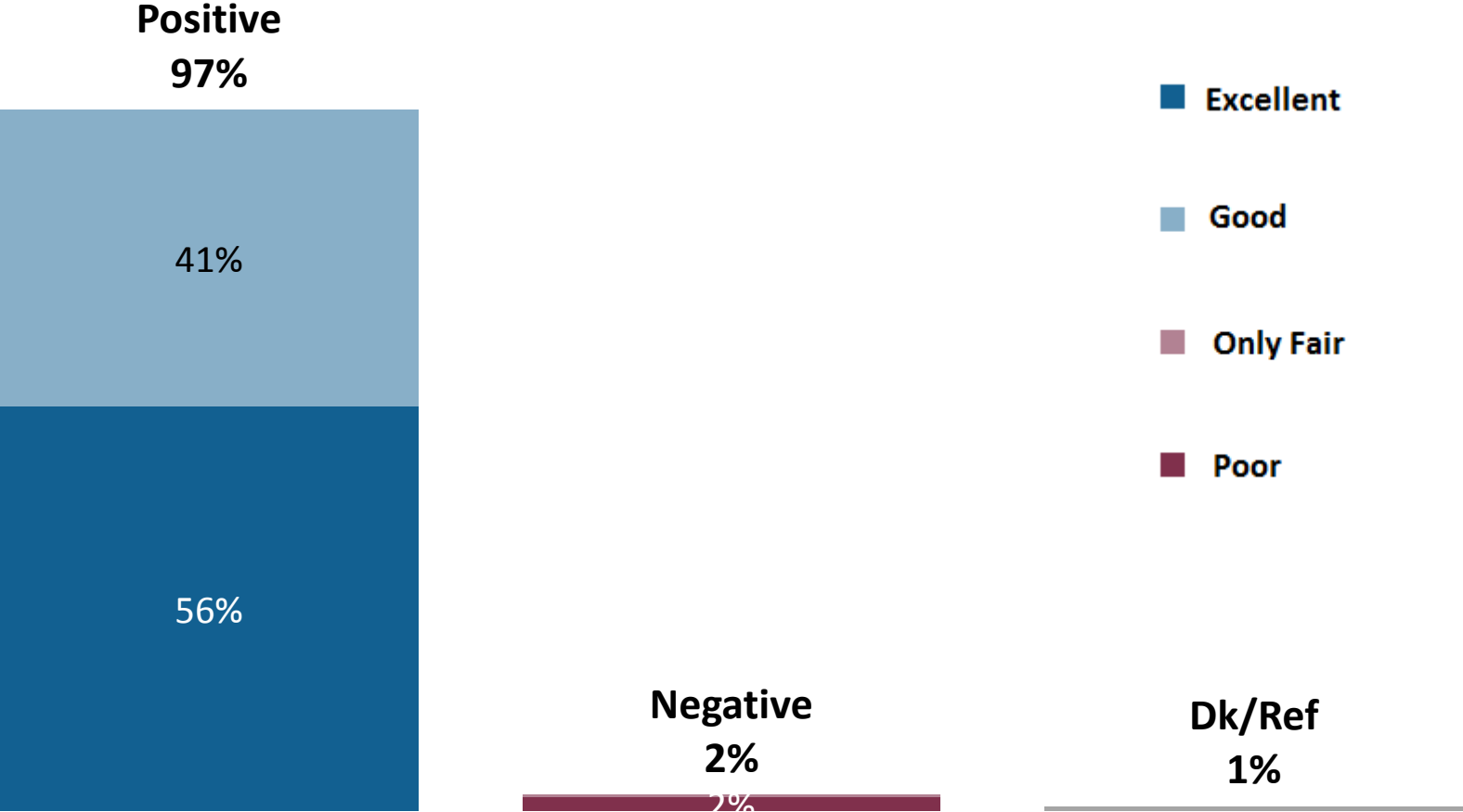
# Most Important Problem Facing Issaquah

*Traffic and population growth are clearly the biggest issues in Issaquah and are clearly separated from other issues of concern.*



# Overall Quality of Life

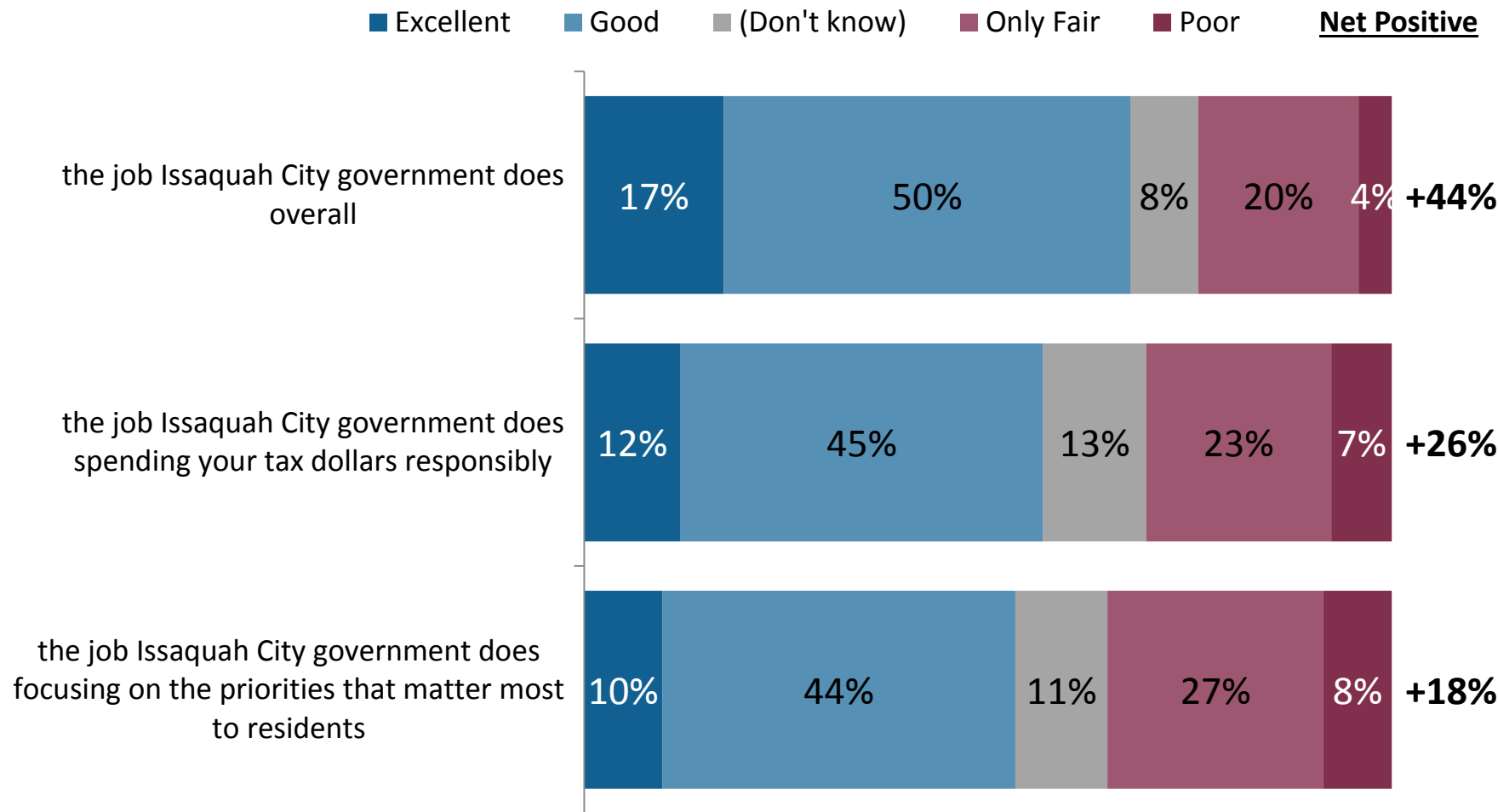
*Almost all residents give a positive rating for overall quality of life in Issaquah. A strong majority rate Issaquah's overall quality of life as "excellent" the highest rating on the scale.*



Q5. Using a scale of excellent, good, only fair, or poor, please rate...the overall quality of life in Issaquah.

# Issaquah Job Ratings

Overall ratings are strongly positive and there is not a great deal of negative intensity.



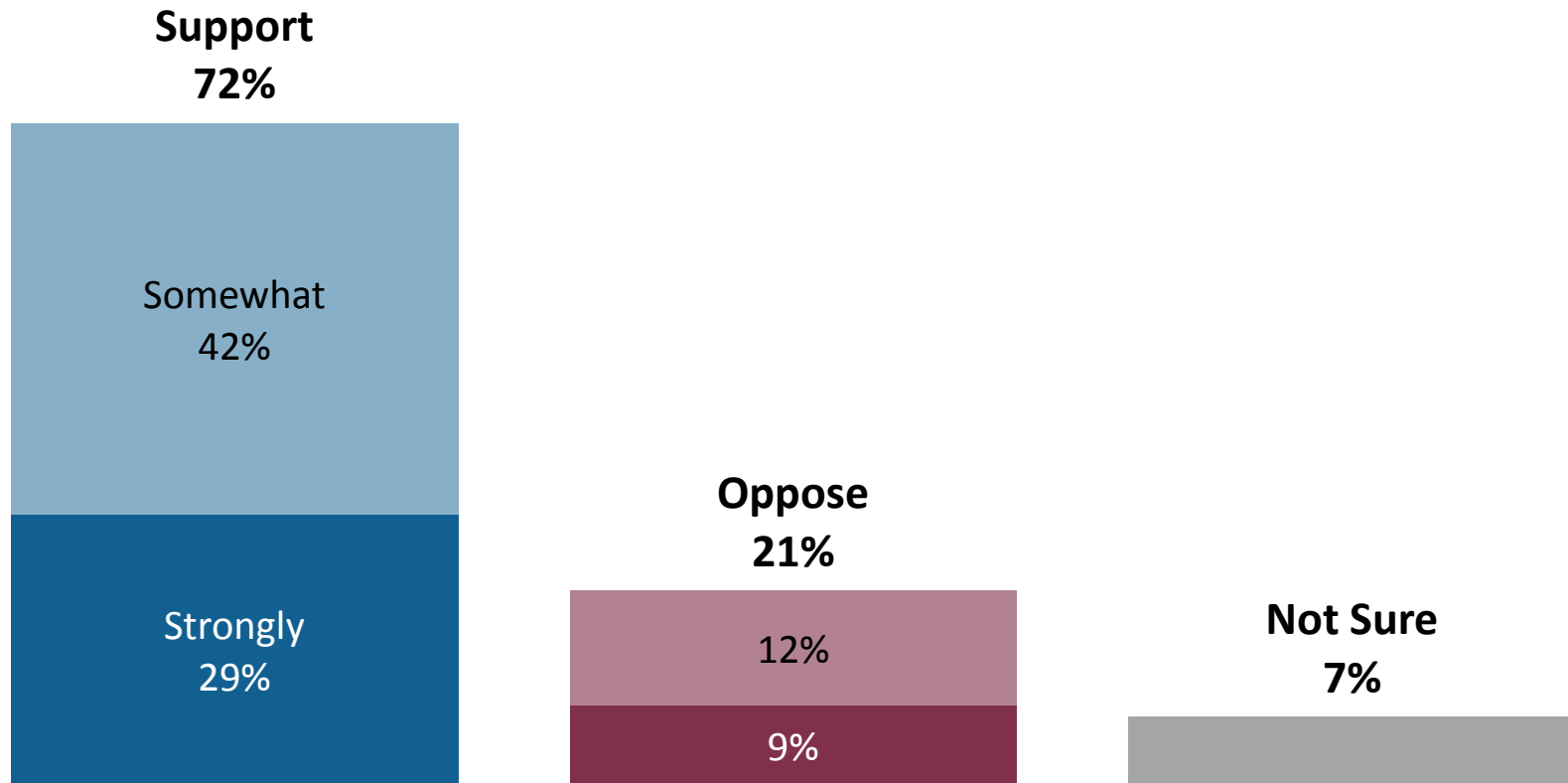
# Proposal Text

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*“There may be a measure on the ballot in the near future concerning funding for citywide transportation safety and mobility improvements. If approved, this proposition would authorize the City to improve local traffic flow; build connections that make it easier to get around town; enhance safety for pedestrians and cyclists; add paved and mixed-use trails; and add parking in Issaquah’s historic downtown. This measure would authorize issuance of no more than \$75,000,000 of general obligation bonds maturing within 20 years to be repaid by the annual levy of excess property taxes. In general, do you strongly support, somewhat support, somewhat oppose, or strongly oppose this measure?”*

# Initial Measure Support

*Initial support for the measure starts strong with over two-thirds supporting it. However, the intensity of support is tepid, with soft supporters making up more than half of all supporters.*

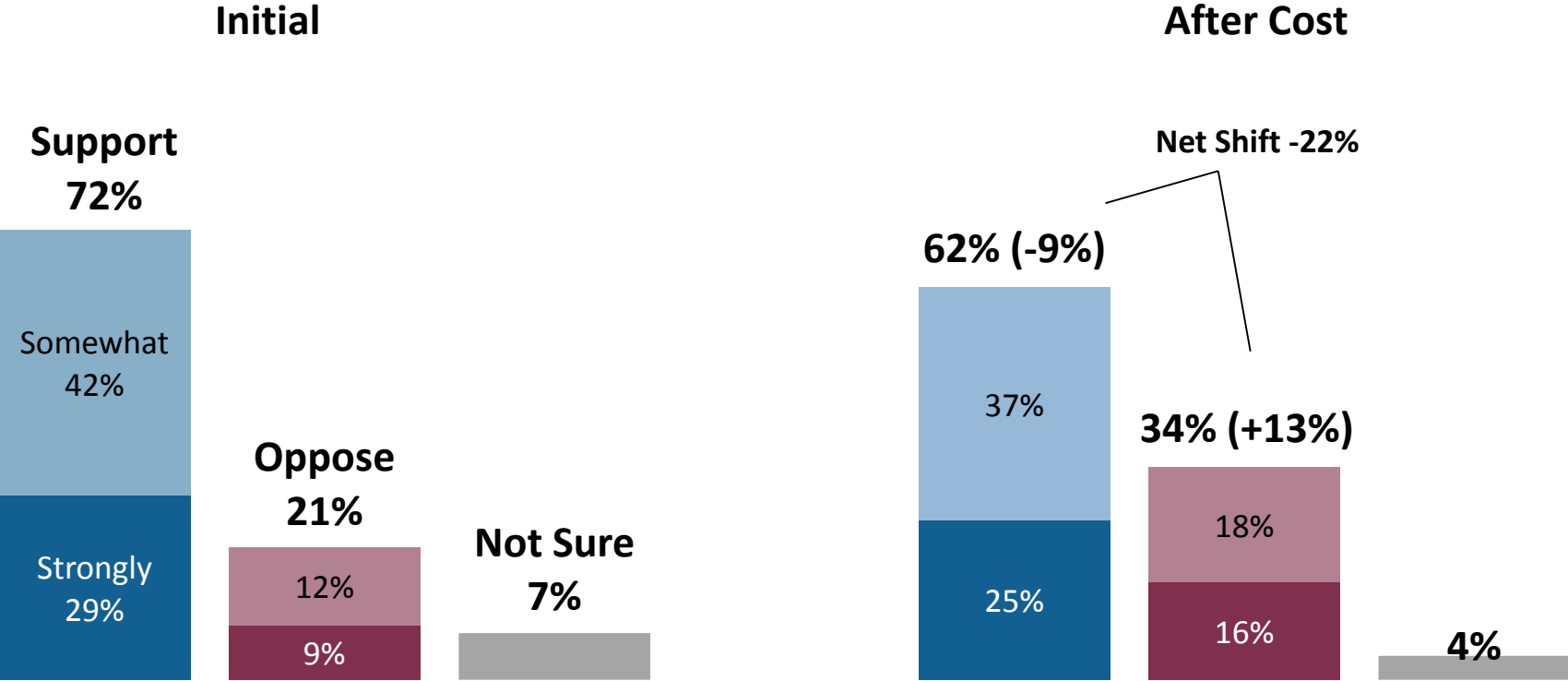


Q9. ...In general, do you strongly support, somewhat support, somewhat oppose, or strongly oppose this measure?

# Support After Homeowner Cost

*The cost per homeowner has a negative impact on support. There is a net shift away from support of 22 points, and total support drops to a bare supermajority. Net shift is the cumulative loss in support and gain in opposition, and indicates that not only does hearing cost drive down support it drives up opposition.*

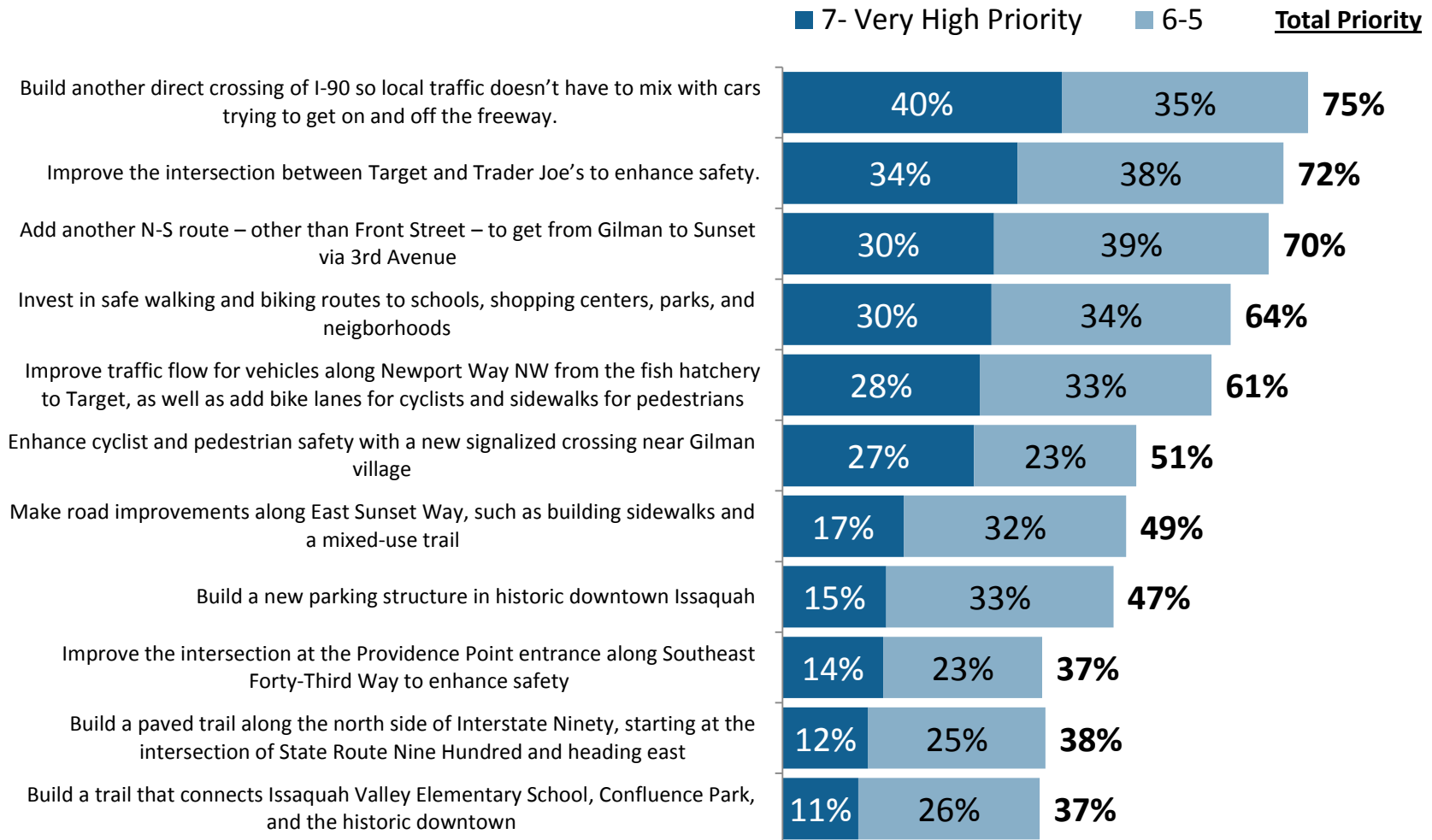
*“This twenty year measure would cost the average Issaquah homeowner with a \$500,000 home about \$390 per year or about \$32 a month.”*



Q10. ...Knowing this, do you strongly support, somewhat support, somewhat oppose, or strongly oppose this measure?

# Project Priorities

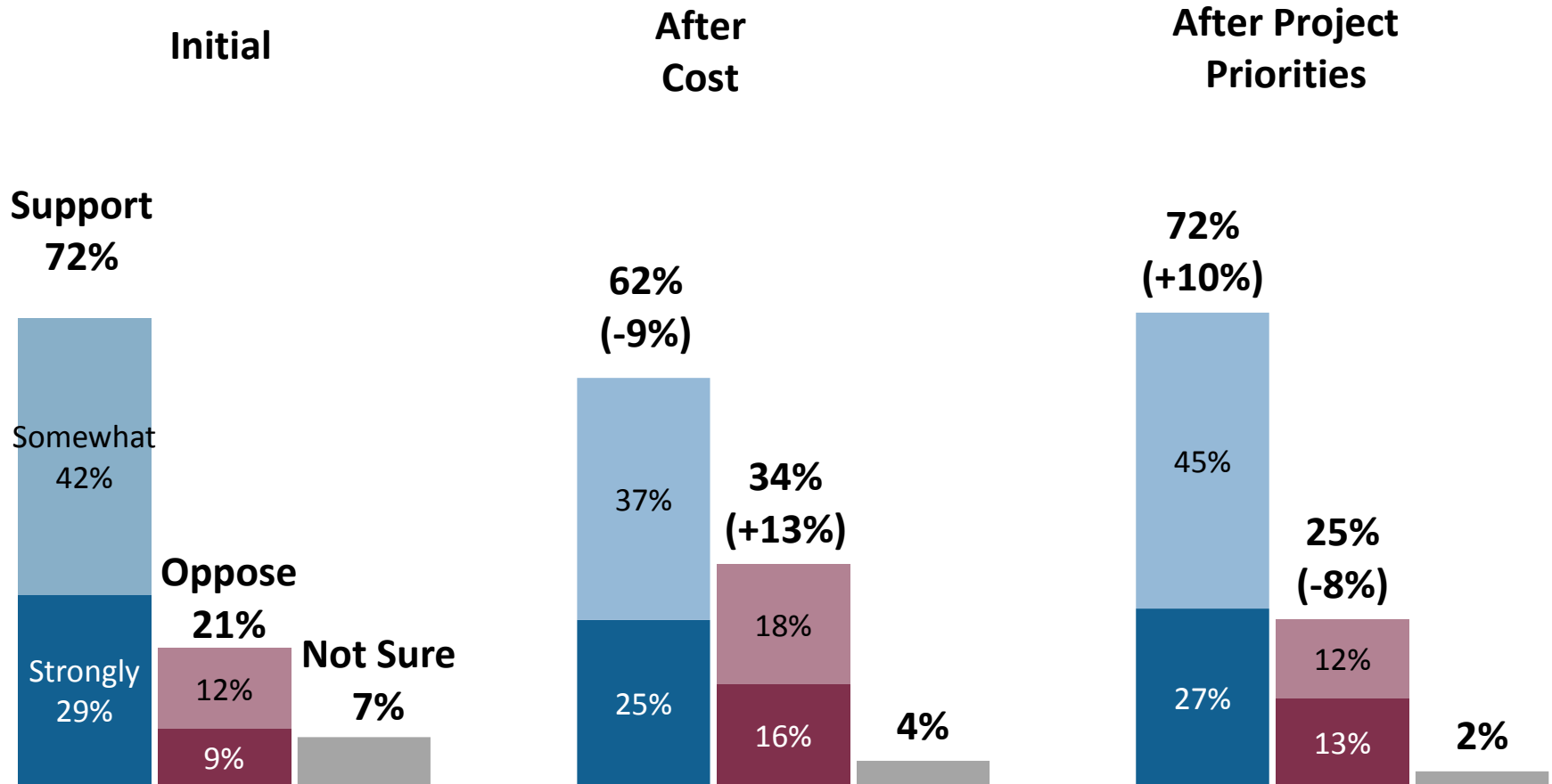
*Items that would enhance traffic flow throughout the City and improve safety are important. Creating mixed use trails or anything related to Issaquah's downtown in particular are less important.*



Q11-21. This transportation measure could fund a number of different projects in the City of Issaquah. I'd like to read you a list of these projects. On a scale of 1 to 7, where 1 is very low priority and 7 is very high priority, please tell me how high of a priority each of the projects is to you.

# Support After Project Priorities

*After hearing about projects that could be included in the proposal, support recovers. However, those who say they strongly support the proposal is still low at just over a quarter..*

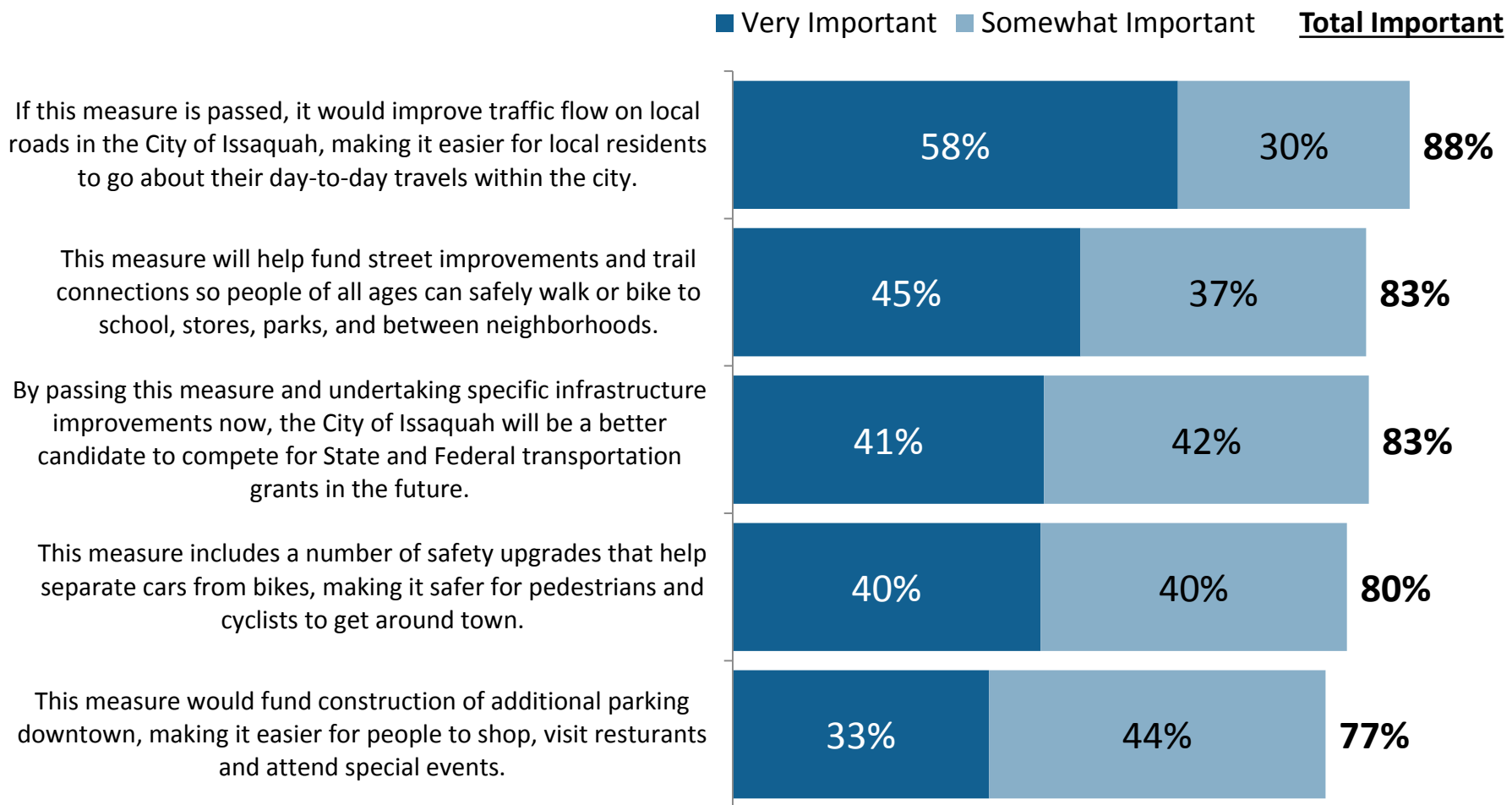


Q22. ...Given what you just heard, do you strongly support, somewhat support, somewhat oppose, or strongly oppose this measure?



# Additional Information About The Measure

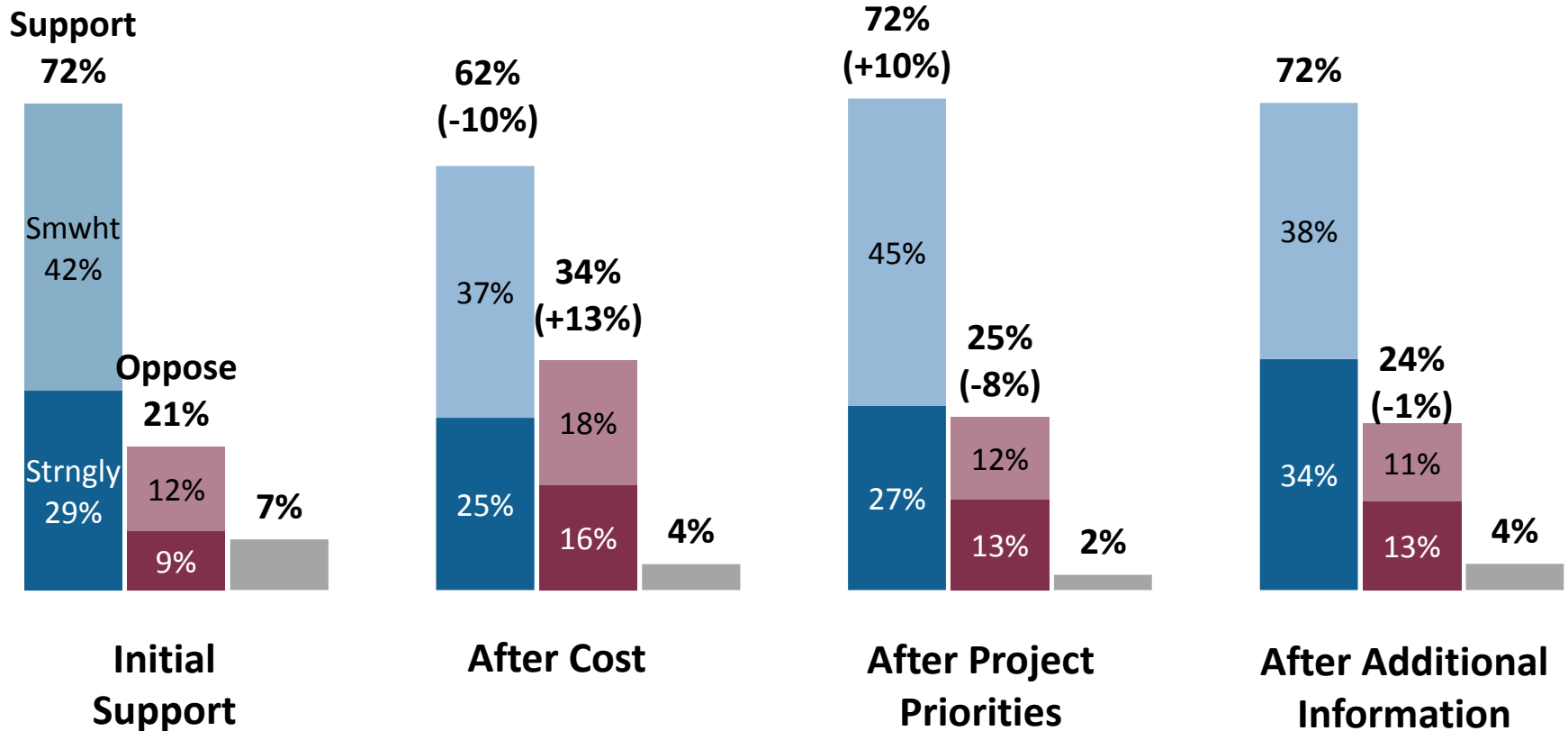
*The next section provided additional information about the proposed measure. Most important, both overall and in intensity, is that the measure could help improve traffic flow throughout the city. Information about making parking downtown easier is least important, though a large majority still say it is important.*



*Q23-27. I'm going to tell you a little more about the potential transportation measure. After each piece of information, please tell me whether that information is very important, somewhat important, or not important for you to know.*

# Support Progression

*Additional information about the proposal doesn't change overall support, but the intensity of support does increase a little.*

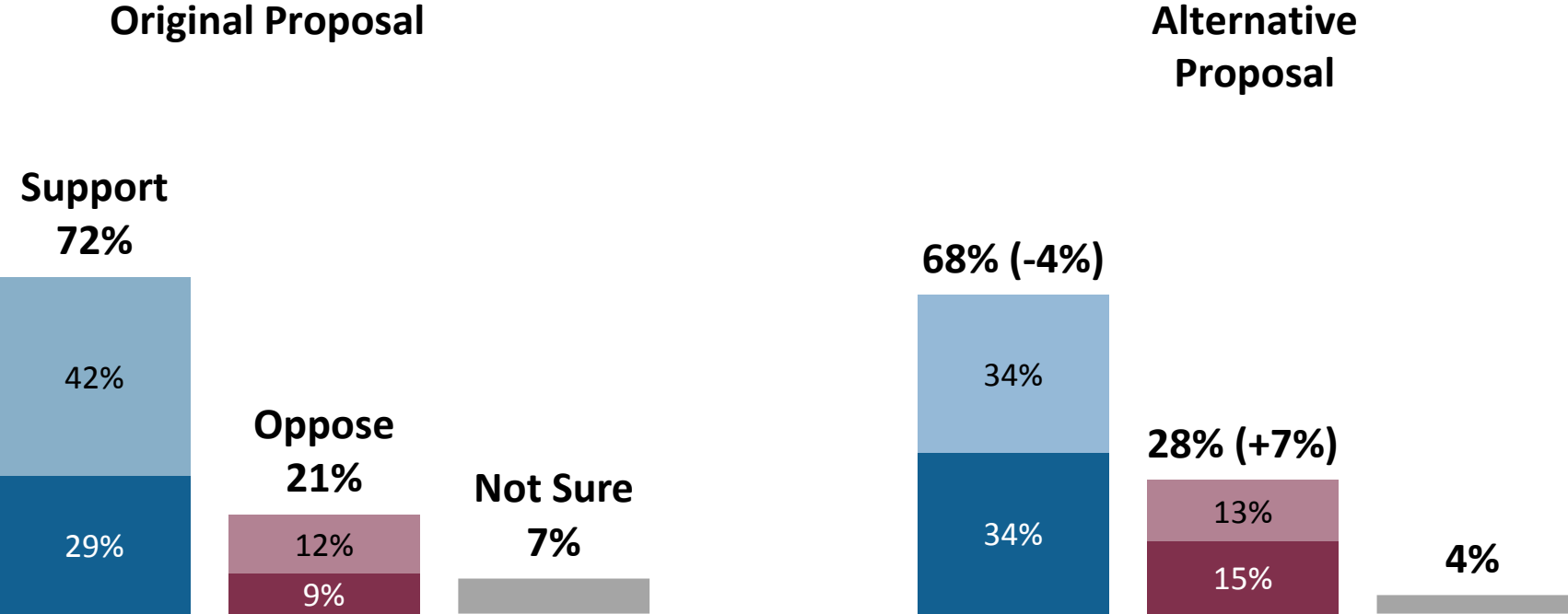


Q28. ...Given what you just heard, do you strongly support, somewhat support, somewhat oppose, or strongly oppose this measure?

# Support For Smaller Proposal

*An alternative proposal that removes some items and reduces the cost doesn't manage to garner additional support.*

*An alternative smaller measure is being considered that would provide funds for improving traffic flow, but would not provide any funds to address downtown parking and trail enhancements. This smaller measure would raise \$50,000,000 over 20 years and would cost the average Issaquah homeowner \$260 per year which is about \$22 a month.*



Q29. Knowing this, do you strongly support, somewhat support, somewhat oppose, or strongly oppose this measure?

# Contacts

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Dominick Martin

[Dominick@emcresearch.com](mailto:Dominick@emcresearch.com)

206.204.8033



CITY OF  
**ISSAQUAH**  
WASHINGTON

# ***TRANSPORTATION TASK FORCE***

**January 26, 2016**

## **FINANCE FUNDING OPTIONS**

City of Issaquah-Finance Department  
Diane Marcotte

## A. EXCESS LEVY (VOTER APPROVED LEVY)

**What is an excess levy**---Excess levies are those that impose property taxes over and above the regular property tax levies charges by the various municipal corporations. They are in “excess” of the many limits that we have on regular levies.

**Excess levies for capital purposes**---RCW 84.52.056 authorizes any municipal corporation to issue general obligations bond for capital purposes at an election duly held.

**Required approval**---An election can only be held twice a year and it must receive the affirmative vote of three-fifths majority (60%) of those voting on the proposition and the total number of person voting at such election much constitute not less than forty percent of the voters in the City who voted at the last preceding general state election.

### Legal Debt Margin as of September 30, 2015

|                                     | General Capacity            |                           | Special Purpose Capacity         |                                | Total Capacity |
|-------------------------------------|-----------------------------|---------------------------|----------------------------------|--------------------------------|----------------|
|                                     | Councilmanic<br>(Non-Voted) | Excess Levy<br>(Voted-in) | Parks & Open<br>Space (Voted-in) | Utility Purposes<br>(Voted-in) |                |
| 9/30/15 Preliminary Assessed Value: | \$7,825,577,628             |                           |                                  |                                |                |
| 2.50% of Assessed Value             | \$ -                        | \$ 195,639,441            | \$ 195,639,441                   | \$ 195,639,441                 | \$ 586,918,322 |
| 1.50% of Assessed Value             | 117,383,664                 | (117,383,664)             | -                                | -                              | -              |
| Statutory Debt Limit                | \$ 117,383,664              | \$ 78,255,776             | \$ 195,639,441                   | \$ 195,639,441                 | \$ 586,918,322 |
| Less Debt Outstanding G.O. Bonds    | (11,020,000)                | (5,070,000)               | (11,755,000)                     | -                              | (27,845,000)   |
| Available in Debt Service Fund      | 585,047                     | 388,433                   | 906,344                          | -                              | 1,879,824      |
| Debt Capacity                       | \$ 106,948,711              | \$ 73,574,209             | \$ 184,790,785                   | \$ 195,639,441                 | \$ 560,953,146 |

The City of Issaquah has AAA bond rating with Standard and Poors. This is due to having strong fiscal policies and healthy reserves as well as significant debt capacity. There are only a few cities in the state of Washington who have a AAA rating. In order to maintain our AAA rating and understanding market conditions we consulted with our financial advisor on what the market place tolerance would be for a bond issue. They indicated that we could issue up to forty five percent of our available debt capacity. For purposes of a transportation levy we would include the Councilmanic and Excess Levy capacity. This results in a potential transportation package of approximately \$81,000,000.

In order to determine the impact on property owners, two scenarios were developed assuming the debt issuance of around \$81 million:

**Scenario 1** assumes no growth of the City’s assessed values and structures the debt service in equal annual payments. This results in level debt service but the levy rate would decline over time as a result of increases in total assessed valuation.

**Scenario 2** assumes 2% growth of the City's assessed valuation with debt service increasing proportionally. For this purpose we have used interest rates approximately 1.00% above the current market rates.

The results of the two scenarios are summarized below

| Term of Bonds (Years) | Scenario 1 (Rate per Thousand) | Scenario 2 (Rate per Thousand) |
|-----------------------|--------------------------------|--------------------------------|
| 20                    | \$0.76                         | \$0.63                         |
| 25                    | \$0.67                         | \$0.53                         |
| 30                    | \$0.60                         | \$0.47                         |

#### **B. VOTER APPROVED VEHICLE LICENSE FEE**

A City may form a Transportation Benefit District (TBD) to acquire, construct, improve, provide and fund transportation improvements in the district that is consistent with any exiting transportation plans. A voter-approved revenue option includes a license fee of up to \$100 per vehicle. This option is the legally authorized maximum amount. While we do not have a precise count of vehicles registered in Issaquah, the Washington Department of Transportation assumes one (1) vehicle per capita for their projections. Using an average of one (1) vehicle per capita, this fee generates annual revenues of \$3.3 million. Over a 15 year period, total revenue would be \$50 million. The City would need to form a TBD to impose this fee. A TBD taxes vehicles of residents only. Commercial and industrial buildings already currently pay a transportation impact fee when either constructing new facilities or expanding their footprint. This option requires a simple majority vote by the voters.

Another approach in the formation of a TBD is to only impose a vehicle license fee up to \$20 for the first twenty four months (note the collection of funds does not begin until 6 months after the fee is imposed). The estimated revenue at \$20 per vehicle would be \$660,000 annually. The board is authorized to increase the fee to \$40 after twenty four months of the fee being at \$20. The estimated revenue at \$40 per vehicle would be a little over \$1.3 million. The board of a TBD has the authority to impose this vehicle license fee without the approval of voters and it is not subject to referendum. After four year the board then has the authority to increase the amount to a \$50 maximum vehicle license fee, annual revenues at this fee would be a little over \$1.3 million. Over a 15 year period, total revenues would nearly \$20 million. A TBD can be created by majority vote of the Council.

The funds must be spent on transportation improvements as set forth in a City plan. "Transportation improvement" is defined as:

*A project contained in the transportation plan of the state or a regional transportation planning organization. A project may include investment in new or existing highways of statewide significance, principal arterials of regional significance, high capacity*

*transportation, public transportation, and other transportation projects and programs of regional or statewide significance including transportation demand management. Projects may also include the operation, preservation, and maintenance of these facilities or programs.*

**Authority to form---RCW 36.73.**

Until 2015, vehicle license fees of \$20 or less could be imposed without voter approval, but 2ESSB 5987 increased the allowable nonvoted vehicle license fee up to a \$50 maximum. However, a TBD may only impose a nonvoted vehicle license fee above \$20 as follows:

- Up to \$40, but only if a \$20 fee has been in effect for at least 24 months.
- Up to \$50, but only if a \$40 fee has been in effect for at least 24 months. Any nonvoted fee higher than \$40 is subject to potential referendum, as provided in RCW 36.73.065(6), as amended by Section 309 of 2ESSB 5987.

**C. VOTER APPROVED STREET LEVY**

This option assumes a levy lid lift as authorized by RCW 84.55.050 on property taxes of \$0.20 per thousand to be dedicated to street projects. A levy lid lift can be for any purpose including maintenance and can be for any period of time or permanent. The initial “life” occurs in the first year, with annual increases in subsequent years limited to the lesser of one percent or the implicit price deflator (IPD). The annual revenue generated would be \$1.5 million. Over a 15 year period, total revenues would be \$22 million. This option requires a simple majority vote by the voters.



#### **D. VOTER APPROVED SALES TAX**

This option increases the City's sale tax rate by 0.20% for transportation and would generate revenues of \$2.8 million annually. Over a 15 year period, it would generate \$42 million. The City's current sales tax rate is 9.5%. The distribution of sales tax is shown below:

| <b>Jurisdiction</b>               | <b>Rate %</b> |
|-----------------------------------|---------------|
| State of Washington               | 6.50          |
| King County/METRO                 | 1.00          |
| King County Criminal Justice Levy | 0.10          |
| King County                       | 0.15          |
| City of Issaquah                  | 0.85          |
| Regional Transit Authority        | 0.90          |
| <b>Total General Sales Tax</b>    | <b>9.50</b>   |

Of the 9.5% total, the City receives .85% for general sales tax purpose and the proposed increase would result in an overall sales tax rate of 9.7%. The City would need to form a Transportation Benefit District (TBD) pursuant to RCW 36.73.040. Such a TBD is authorized pursuant RCW 82.14.0455 to impose a sales and use tax in the amount of two-tenths of one percent (.02%) subject to approval by the voters. This option requires a simple majority vote by the voters.

#### **E. BUSINESS LICENSE PER EMPLOYEE**

This option would enact a business license fee of \$50 per employee on all businesses registered in the City. This fee would generate annual revenues of \$1.5 million. Over a 15 year period, total revenue would be \$21 million. This option requires a majority vote by the Council and does not require voter approval. Currently businesses in the City of Issaquah pay a Business and Occupation (B&O) tax on their gross revenues. There are 41 cities in the state that impose the Business and Occupation Tax. As of April 1, 2015, the City of Issaquah increased its B&O tax rates as follows:

- Manufacturing, Retailing & Wholesaling from 0.0008 to 0.0012; and
- Services/Retail Service from 0.001 to 0.0015.

**Date:** February 18, 2016

**To:** Transportation Task Force –Funding Method Subcommittee

**From:** Diane Marcotte, Finance Director

**Subject:** Voter Approved Bonds

At the subcommittee meeting on February 16, 2016 committee members requested additional information. The committee was interested in reviewing the levy rates if a bond levy was sized at \$50 million, \$60 million and previously provided size of \$81 million.

For each potential issue size, we prepared the following scenarios for three potential terms.

**Scenario 1** assumes no growth of the City's assessed values and structures the debt service in equal annual payments (level debt service, but declining levy rate)

**Scenario 2** assumes 2% growth of the City's assessed values with debt service increasing proportionally (also by 2%).

The results of the scenarios are summarized in the tables below:

Levy Rate per \$1,000 of AV

Scenario 1: Level Debt Service (no AV growth)

| Term of Bonds | \$50 Million | \$60 Million | \$81 million |
|---------------|--------------|--------------|--------------|
| 20            | \$.047       | \$0.57       | \$0.76       |
| 25            | \$0.41       | \$0.49       | \$0.67       |
| 30            | \$0.37       | \$0.45       | \$0.60       |

Scenario 2: Increasing Debt Service (AV at 2%)

| Term of Bonds | \$50 Million | \$60 Million | \$81 million |
|---------------|--------------|--------------|--------------|
| 20            | \$.039       | \$0.47       | \$0.63       |
| 25            | \$0.33       | \$0.39       | \$0.53       |
| 30            | \$0.29       | \$0.34       | \$0.47       |

(1) The City's excess assessed value for 2016 is estimated to be \$7.97 billion

Please note that under the "Level Debt Service" scenario, the levy rate will decline each year as assessed valuation grows. The "Increasing Debt Service" scenario assumes a 2% annual growth in Assessed Value – with growth greater than 2%, the levy rate will decline each year.

The subcommittee also asked the City to provide historical information on a levy rate of a previous bond issue to understand how a levy rate fluctuates from year to year.

As one example of an existing outstanding bond issue---is in 2006 the City issued debt for park purposes. The annual debt service by year is shown below and what the actual excess levy rate is for that particular year.

| Year               | 2010       | 2011       | 2012       | 2013       | 2014       | 2015       | 2016       |  |
|--------------------|------------|------------|------------|------------|------------|------------|------------|--|
| Debt Service       | \$ 453,400 | \$ 454,000 | \$ 454,200 | \$ 454,000 | \$ 453,400 | \$ 457,400 | \$ 455,800 |  |
| Assessed Valuation | \$6.05B    | \$5.95B    | \$5.82B    | \$5.75B    | \$6.25B    | \$7.45B    | \$7.97B    |  |
| Levy Rate          | \$ 0.0749  | \$ 0.0763  | \$ 0.0780  | \$ 0.0790  | \$ 0.0725  | \$ 0.0614  | \$ 0.0572  |  |

As depicted above, as our assessed valuation increases, the overall levy rate decrease. A portion is as a result of the new construction being added to the rolls and changes in existing assessed valuation.

The schedule below shows what the overall excess levy rate has been for the City of Issaquah for the last seven years. The example discussed above is included as part of the total excess levy rate shown below.

| Year                          | 2010       | 2011       | 2012       | 2013       | 2014       | 2015       | 2016       |
|-------------------------------|------------|------------|------------|------------|------------|------------|------------|
| Actual Total Excess Levy Rate | \$ 0.02573 | \$ 0.02448 | \$ 0.02494 | \$ 0.02529 | \$ 0.02387 | \$ 0.02264 | \$ 0.02059 |

# NON-CAPITAL INVESTMENTS SUB-COMMITTEE

## **RECOMMENDATIONS FOR TRAFFIC TASK FORCE:**

- ☐ The City take a holistic approach for improving mobility in Issaquah by including programs and projects for motorized and non-motorized users
- ☐ The City dedicate a stable source of annual funding for non-capital investments in mobility, which will ensure the flexibility to meet changing dynamics/needs and to allow the City to capitalize on other partnership opportunities
- ☐ The City form an on-going committee (with resident representation of all areas of the City) to enhance Issaquah's approach to mobility through user engagement and feedback
- ☐ The Task Force supports the programs that have been identified as "Spring Board" Programs as summarized below and as attached:

***Program Recommendation 1:***

*Recommend that the City dedicate annual funding resources to implement the elements of the Walk + Roll Action Strategy*

***Program Recommendation 2:***

*Recommend that the City dedicate annual funding resources to implement the elements of the Salmon Friendly Trips Program*

***Program Recommendation 3:***

*Recommend that the City conduct a community assessment and form partnerships for Alternative Service Programs*

***Program Recommendation 4:***

*Recommend that the City evaluate and augment Maintenance and Safety Practices and Programs to support safe travel.*



| <div><div>NON-CAPITAL INVESTMENTS IN ISSAQUAH MOBILITY</div><div>PROGRAMS TO ENCOURAGE BEHAVIOR CHANGE AND DEVELOP MOBILITY CULTURE</div><div>These recommendations are tested best practice programs to help meet City required trip reduction goals and targets and make it easy for people to get around</div></div> |  |  |  |  |                       |
|---|--|--|--|--|-----------------------|
| <div><div>WALK + ROLL</div><div>Action Strategy</div></div>   |  |  |  |  |                       |
| Community Stakeholders, City Council Adopted and City Staff recommend these planning, educational and infrastructural strategies to improve bicycle - pedestrian culture in Issaquah.   |  |  |  |  |                       |
| <div>Task Force - Program Recommendation 1:</div> <div>Recommend that the City dedicate annual funding resources to implement the elements of the Walk + Roll Action Strategy</div> <div>\$350,000 - \$2,710,000</div>  |  |  |  |  |                       |
| PROGRAM   |  | DESCRIPTION  | ESTIMATED RESOURCE NEED DESCRIPTIONS   | ONE TIME   | 10 YEAR ON-GOING      |
| Planning Elements   |  |  |  |  |                       |
|   | Wayfinding Signage Plan and Implementation                           | Develop designs and install a network of directional and informational signage to help residents and visitors get to destinations (Urban and open space).  | \$ 50,000+ for each plan (urban or open space)<br>\$100,000+ implementation including maps (ex. where are racks, bus stops, access to routes, etc) to coincide with public signs   | \$100,000  | TBD                   |
|   | Safe Routes to School Plans  | Develop plans in coordination with the School District with intention of identifying routes and improvements to make walking and biking to school safe and accessible. Publish maps.   | \$ 25,000 - \$ 50,000 per school / 10 in Issaquah - start with 6. On-going add 4 minimum schools, program support and additional new schools schools. 10 year estimate adds programming for students   | 150,000 - \$300,000  | \$100,000 - \$500,000 |
| Education and Outreach Elements   |  |  |  |  |                       |
|   | Ambassador Programs  | Encouraged and support organized walks and rides to promote increased active mobility and allows residents to identify routes in their community. Can add transit ambassadorship.  | \$ 10,000+ per program for coordination /non-profit consult investment.- with est. increase/time   | \$10,000   | \$120,000             |
|   | Educational and Safety Programs                                      | Outreach through classes, web workshops and videos to increase safe travel in the Issaquah.  | \$10,000 - \$25,000 per campaign, with non-profit partners and in-house development  | \$10,000-\$25,000  | \$100,000 - \$250,000 |
|   | Street Closure Events, Urban Parklet Demonstrations, Car-free Events | Establish street closure events to encourage non-car travel options and demonstrations. These are not specifically "event driven" but are temporary ways to motivate and educate alternative travel mode opportunities - examples include bike rodeos, bike Sundays, bikes as first responders, parking space conversions - e.g., cafe space for walkable communities, walk demos, bus demos, etc. | \$20,000 +/- per closure event. Traffic control, community barrier and logistic support, media. \$5,000 per small campaign event (Bike to Work Day)  | \$25,000   | \$250,000             |
| Structural Elements   |  |  |  |  |                       |
|   | Bicycle Share Program  | Rent/shared use bicycle from stations located throughout the City. Partners with vendors and businesses to connect destination travel for commute, recreation and tourism.   | \$850,000 station and location and vendor dependent. This received legislative allocation for Eastside - Regional Bikeshare expansion - % million dollars for Kirkland, Redmond, Bellevue and Issaquah. Parnterhsip effort with King County and Seattle in context. Electric bike, placement and local sponsorship and quantity - tbd and considered. Solutions for Last-Mile to connect users to transit without need to park bike and hill and neighborhood access considerations - tbd current. | PENDING STATE ALLOCATION of \$850,000 (not included in budget total above) | TBD                   |
|   | Bike Lockers, Bike Parking, Bike Racks, helmet and human kiosks      | Provide secure/extended bike parking and elements to connect to transportation alternatives and destinations.  | \$1,500 - \$5,000 - lockers and racks - min. Other considerations for additional lockers and rack could come from policy and developer requirements in future years.<br>\$10,000+ per location - kiosks. Assumptions 6 kiosks - 30 K, 80 - 1K rack over time   | \$35,000   | \$100,000             |

|   |  |   |  |   |                           |
|---|--|---|--|---|---------------------------|
|   | Art and Community Engagement   | Connect with community and local artist to enliven mobility facilities: bus stops, designed bike racks, benches, street furniture+  | \$20,000-\$50,000 coordination, grant connected. There might be potential to include art in conditions of capital projects, developement as a component, but this focus is for the purpose of community engagement and participation and education - examples - bus stop info/art, community mobility messages, art work with students, etc. Temporary and perminent, including inclusion and equity. % for art considerations on a program-level.   | \$20,000  | \$200,000                 |
| <div>SALMON FRIENDLY (ALL) TRIPS</div> <div>All people, all trips, everywhere</div>   |  |   |  |   |                           |
| State Plan recommended and State CTR Board Adopted, Council Plan Approved and City Staff recommend these strategies to improve the City's mode-split nDAT (non-drive alone rate) and VMT (vehicle miles traveled) and GHG (greenhouse gas) rate and meet goals. |  |   |  |   |                           |
| <div>Task Force - Program Recommendation 2:</div> <div>Recommend that the City dedicate annual funding resources to implement the elements of the Salmon Friendly Trips Program</div> <div>\$65,000 - 1,455,000</div>   |  |   |  |   |                           |
| PROGRAM   |  | DESCRIPTION   | ESTIMATED RESOURCE NEED DESCRIPTIONS   | ONE TIME  | 10 YEAR ON-GOING          |
| Strategies to address State and Local Ordinance Compliance  |  |   |  |   |                           |
|   | Incentives and Encouragement - "Awareness and Awards". Multi-modal with cross mode promotion | Salmon Friendly Trips - Jurisdictional Ordinance program for multi-modal outreach to provide support, incentives and campaigns to encourage ridesharing, teleworking, walking, biking actions | \$300,000 for promotion, programming, incentive management, outreach, technical support for Rideshare technology. This work includes scope as defined in the City's CTR plan - Technical assistance work with large and small employers to develop Rideshare Online "networks", technical survey tools and outreach to employees, residents, visitors. Incentives (coupons, commuter rewards, bus passes) for campaigns. Event support to provide outreach to "All trips" community - neighborhoods to encourage use of Rideshare Online tool and ride match activities (capool, vanpool, etc.). | PENDING: Received \$214,500 for 2 year - Rideshare Online "child networks" and incentives for ridesharing / commuters: 1/2016 - removing from balance: \$50,000-\$150,000 | \$1,000,000 - \$1,250,000 |
|   | Employer Mini-Grants and Engagement  | Provide resources and marketing support to connect business discounts to mobility behavior change   | 15000 +/- to market coupons and connect with outreach. Opportunity to engage business in mobility culture change - invite innovation for encouraging supportive modes "bike, walk, transit, etc"   | 15,000  | 150,000                   |
|   | Community Stakeholder Forum  | To provide tailored coordination and community engagement for mobility solutions: Grant bank, on-going social media dialog, and communication feedback loop                                   | Staff support - Task Force   | STAFF   | STAFF                     |
| <div>ALTERNATIVE SERVICES PARTNERSHIPS</div> <div>Community partnered solutions to mobility needs</div>   |  |   |  |   |                           |
| King County Metro and City Staff recommend these strategies to address transportation gaps and increase ridesharing opportunities as a means to meet State, County and City goals.  |  |   |  |   |                           |

| <b>Task Force Recommendation #3:</b><br><b>Recommend that the City conduct a community assessment and form partnerships for Alternative Service Programs</b><br><br><b>\$165,000 - 1,475,000</b>   |   |   |  |                      |                         |
|--|---|---|--|----------------------|-------------------------|
| PROGRAM  |   | DESCRIPTION   | ESTIMATED RESOURCE NEED DESCRIPTIONS   | ONE TIME             | 10 YEAR ON-GOING        |
| Partner Solution Elements  |   |   |  |                      |                         |
|  | SchoolPool<br>School District and Parents   | Develop a parent and student specific rideshare program   | \$40,000 - \$100,000 per district - with annual incentive and partnerships \$25,000K   | \$65,000 - \$125,000 | \$650,000 - \$1,250,000 |
|  | Alternative Services Partnership,<br>Ccommunity Needs Assessment and Implementation | To find community-based solutions to enhance ridesharing: vans, rideshare aps, destination based sharing, etc.  | \$100,000 - \$300,000 est.<br>This includes a City-wide / Area Specific / User -Needs assessment (One time funding for study, then on-going - survey and other tools for idea and solutions generated from the community). Grant and on-going resources for solutions to be identified as supportive to accomplishing community defined alternative solutions. This might include a variety of vehicles, vans, pedi-cabs, services, app based ridesharing, shuttles, etc. There may be efforts to look deeper at parking sharing programs, restricts or valet service, etc. Solutions will be defined with community following needs assessment. | \$100,000            | TBD                     |
|  | Technology  | While technology is included directly in Alternative Service Partnerships and throughout all programs as a strategy (RideshareOnline, Survey data, Alternative App Development), the subcommittee wishes to highlight the need to use technology and technology partners for the purpose of data gathering for planning purposes and to provide opportunities for user interaction, feedback to the City and to access information (some examples include real-time feedback applications and Customer Response Systems, GIS and transit tracking and directions) | TBD  | TBD                  | TBD                     |
| <b>MAINTENANCE AND SAFETY PROGRAMS</b>   |   |   |  |                      |                         |
| The Sub-Committee for Non-Capital Investments in Mobility desired to separate and call attention to these specific maintenance and safety recommendations.   |   |   |  |                      |                         |
| <b>Task Force Recommendation #4:</b><br><b>Recommend that the City evaluate and augment Maintenance and Safety Practices and Programs to support safe travel.</b><br><br><b>Costs are TBD</b>  |   |   |  |                      |                         |
| Subcommittee's recommended focus areas:  |   |   |  |                      |                         |
| Weather protection for bicycle storage and bus stops; gathering input from school bus drivers regarding the impact of site design, alterations, and construction; sightline care and precautions (including considering temporary impacts due to construction activities and plant management); street maintenance and street hazard response (e.g., response to debris, need for sweeping). |   |   |  |                      |                         |